

August 16, 2011

The Health Benefits Committee met on Tuesday, August 16, 2011, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 10:44 a.m. with the following members present:

Priya Mathur, Chair
JJ Jelincic, Vice Chair
Ruth Holton-Hodson representing John Chiang
George Diehr
Rob Feckner
Henry Jones
Tricia Wynne representing Bill Lockyer
Tony Oliviera
Howard Schwartz representing Ronald Yank

Other Board members present:

Michael Bilbrey

AGENDA ITEM 2 – APPROVAL OF THE JUNE 14, 2011, HEALTH BENEFITS COMMITTEE MEETING MINUTES

The June 14, 2011, Health Benefits Committee meeting minutes were approved as presented.

AGENDA ITEM 3a – AB 52 (FEUER) – HEALTH CARE COVERAGE: RATE APPROVAL

Danny Brown, Chief, Office of Governmental Affairs, presented staff's recommendation on Assembly Bill 52 (Feuer) – Health Care Coverage: Rate Approval. This bill would require health plans and insurers to file a complete rate application for any rate change for an existing product effective January 1, 2011, and a proposed rate for a new product that would become effective on and after January 1, 2012, with the Department of Managed Health Care (DMHC) or the California Department of Insurance (CDI).

On **MOTION** by Rob Feckner, **SECONDED** and **CARRIED**, the Committee recommended the Board adopt a support if amended and oppose if not amended, position on AB 52. The bill should be amended to provide that the Board of

Administration has the exclusive right to request the DMHC or CDI to review rates set by the Board of Administration. Any such review would be completed within 15 days and there would be no intervener or hearing process.

AGENDA ITEM 4a – HEALTH CARE REFORM QUARTERLY UPDATE

As an information item, Doug McKeever, Chief, Health Policy Research Division, provided updates on multiple areas of Health Care Reform. The topics Mr. McKeever discussed were: Prevention and Public Health Fund; Preventive Services; Early Retiree Reinsurance Program; Accountable Care Organizations and the Medicare Shared Savings Program; Affordable Insurance Exchanges; California Health Benefit Exchange Board; Availability of Medicare Data for Performance Measurement; and, Prohibition on Rescissions.

AGENDA ITEM 4b - PARTNERSHIP FOR CHANGE UPDATE

As an information item, Doug McKeever, Chief, Health Policy Research Division, highlighted current activities with the California Hospital Assessment Reporting Taskforce and the Hospital Value Initiative.

AGENDA ITEM 5a - SELF-FUNDED HEALTH PLANS FIRST QUARTER 2011 FINANCIAL REPORT

As an information item, Gary McCollum, Actuarial and Employer Services Branch, presented the financial status for the six CalPERS self-funded Preferred Provider Organization health plans. At the end of the first quarter of 2011, the actual overall combined loss ratio for the self-funded plans was two percent below break-even. The overall financial position of the self-funded health plans remains stable.

AGENDA ITEM 6a – LONG-TERM CARE VALUATION AND PROGRAM UPDATE

As an information item, Tim Skillman, Health Plan Administration Division, provided an update on the Long-Term Care Program which included; the third-quarter financial report and key findings; the Long-Term Care Request for Proposal; and, Long-Term Care Program enhancements.

AGENDA ITEM 7 – DEPUTY EXECUTIVE OFFICER REPORT

Ann Boynton, Deputy Executive Officer, Benefit Programs Policy and Planning, provided information on the following items: 2012 CalPERS Health Plan Design, Rate, and Benefit Changes Webinars; Health Benefits Purchasing Review Project Survey; and, recent interest in CalPERS health strategies from outside entities.

AGENDA ITEM 8 – PROPOSED AGENDA FOR SEPTEMBER 13, 2011, HEALTH BENEFITS COMMITTEE MEETING

The proposed September 13, 2011, Health Benefits Committee Meeting Agenda was approved as presented.

AGENDA ITEM 9 – PUBLIC COMMENT

There was no public comment.

The meeting was adjourned at 11:35 a.m.

The next meeting of the Health Benefits Committee is scheduled for September 13, 2011, in Sacramento, California.

ANN BOYNTON

Deputy Executive Officer Benefit Programs Policy and Planning